

**PROCEEDINGS BEFORE THE
WASHINGTON STATE BOARD OF ACCOUNTANCY**

In the Matter of the Certified Public
Accountant (CPA) Certificate and/or
Licenses to Practice Public Accounting of:

Joseph L. Koval
Certificate No. 17610

Respondent.

No. ACB-1411

**STIPULATED AGREEMENT
AND ORDER OF ASSURANCE**

The Washington State Board of Accountancy (Board) and Joseph L. Koval (Respondent),
stipulate and agree as follows:

Section 1: Procedural Stipulations

- 1.1 Respondent understands that the Board may issue a statement of charges in this matter and proceed to a hearing before the Board upon the merits of said charges, although the Board has not done so, in order to facilitate resolution of this matter in accordance with the legislative intent endorsed in RCW 34.05.060.
- 1.2 Respondent understands that should the Board prevail at hearing based on a statement of charges that the Board has the power and authority to deny, suspend, revoke, or refuse to renew the Respondent's CPA certificate or any individual or firm licenses to practice public accounting as a CPA or CPA firm in Washington and may impose a fine plus the Board's investigative and legal costs in bringing charges or impose conditions precedent to renewal of the certificate or license, or impose full restitution to injured parties.
- 1.3 Respondent understands that the Respondent has the right to defend against a statement of charges by demanding a hearing and presenting evidence on the Respondent's behalf

Stipulated Agreement and Order of Assurance

Joseph L. Koval

and the Respondent voluntarily waives the right to a hearing and all other rights which may be accorded the Respondent by the Administrative Procedures Act, chapter 34.05 RCW, and the laws of Washington, including the right to petition the courts for judicial review.

- 1.4 Respondent wishes to expedite the resolution of this matter by means of this Stipulated Agreement and Order of Assurance and does not desire to proceed to a formal hearing based on the issuance of a statement of charges.
- 1.5 Respondent understands that the terms of this Stipulated Agreement and Order of Assurance are not binding unless approved by the Board and fully executed.
- 1.6 Should this Stipulated Agreement and Order of Assurance be rejected by the Board and the Board proceeds to issue a statement of charges, the Respondent waives any objection to the participation of any members of the Board at a hearing on this matter, other than the consulting Board member in this proceeding.

The parties further stipulate to the following Stipulated Facts, Conclusions of Law, and Agreed Order:

Section 2: Stipulated Facts

- 2.1 Respondent holds a valid Certified Public Accountant Inactive (CPA-Inactive) certificate number 17610 in Washington State.
- 2.2 Respondent included a filed form 4797, Report of Sale of Property Including Involuntary Conversions for a business partner, prior to the sale being properly recorded with the county, which in turn precipitated a complaint to the Board from the business partner.

- 2.3 Respondent engaged in the practice of public accounting as defined by WAC 4-30-010(37) by using the title CPA-Inactive in conjunction with professional services.
- 2.4 Respondent's firm, Koval Company Inc., engaged in the practice of public accounting as defined by WAC 4-30-010(37) by including his firm name, Koval Company Inc., in the signature line of a tax return while signing as a "CPA-I," creating the appearance of a CPA firm.

Section 3: Conclusions of Law

- 3.1 The Board has jurisdiction over the Respondent and the subject matter of this proceeding.
- 3.2 The Board is not taking a position on the conduct described in Stipulated fact 2.2, but it may be an issue for the IRS as the primary regulator over tax matters.
- 3.3 The conduct described in Stipulated Fact 2.3 constitutes cause for Board discipline under WAC 4-30-142(5)(a) and RCW 18.04.345(1) for engaging in the practice of public accounting as a CPA-Inactive certificate holder.
- 3.4 The conduct described in Stipulated Fact 2.4 constitutes cause for Board discipline under WAC 4-30-142(a) and (c) for engaging in the practice of public accounting as a CPA firm without the benefit of a CPA license.

Section 4: Agreed Order

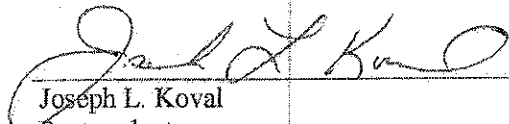
- 4.1 Respondent consents to the entry of this Order and has waived any right to a hearing.

- 4.2 Pursuant to RCW 18.04.295, the Board has the power to impose discipline. Based on the preceding Stipulated Facts and Conclusions of Law, the Board so orders that Respondent shall:
- 4.2.1 Pay the Board a fine in the amount of one thousand dollars (\$1,000) within 90 days of the service of this Order. Such fine shall be made payable to the Washington State Board of Accountancy and remitted to the Washington State Board of Accountancy at PO Box 9131, Olympia, WA, 98507-9131.
 - 4.2.2 Complete four (4) hours of continuing professional education (CPE) in Board approved ethics and regulations with specific application to the practice of public accounting in Washington State. The CPE course must be completed within 90 days of the acceptance of this Order. A certificate of completion must be submitted to the Board within 30 days of the completion date of the course.
 - 4.2.3 Complete eight (8) hours of continuing professional education (CPE) on taxation, including federal income tax and the disposition of capital and business assets. The CPE course hours must be completed within 90 days of the acceptance of this Order. The certificate(s) of completion must be submitted to the Board within 30 days of the completion date of the course.
 - 4.2.4 Refrain from using the designation "CPA-Inactive" or any iteration thereof in association with any services that could constitute the practice of public accounting, as defined by WAC 4-30-010(37).
- 4.3 The Board will publish the terms of this Stipulated Agreement and Order of Assurance.

I, Joseph L. Koval, certify that I have read this Stipulated Agreement and Order of Assurance in its entirety and that I fully understand and agree to all of it, and that it may be

presented to the Board without my appearance. If the Board accepts the Stipulated Agreement and Order of Assurance, I understand that I will receive a signed copy.

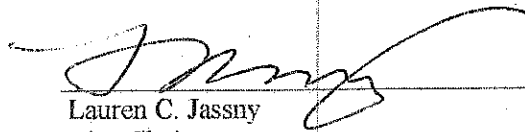
DATED this 28 day of JANUARY, 2015.


Joseph L. Koval
Respondent

The Board accepts and enters this Stipulated Agreement and Order of Assurance.

DATED this 30th day of JANUARY, 2015.

WASHINGTON STATE
BOARD OF ACCOUNTANCY


Lauren C. Jassny
Vice Chair